GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:346
ANSWERED ON:25.07.2000
PRIVATE PARTICIPATION IN COAL MINING
ANNA SAHEB M.K. PATIL

Will the Minister of COAL be pleased to state:

(a) whether the government propose for comprehensive reforms to encourage private participation in mining of coal and lignite;

(b) if so, the details thereof;

(c) whether the Government have undertaken a `Regulatory framework to review the projects with the help of World Bank`;

(d) if so, the outcome of the review;

(e) the action taken / proposed to be taken;

(f) whether the legislation enacted earlier in this regard has been amended;
(g) if so, the area fixed for participation of private companies in coal sector;
(h) the quantum of coal likely to be extracted by these private companies every year; and
(i) the other terms prescribed for the participation of private sector in coal sector?

Answer

MINISTER OF STATE FOR COAL (SHRI N.T.SHANMUGAM)

(a) & (b): The Coal Mines (Nationalisation) Amendment Bill, 2000 which has been introduced in the Rajya Sabha on 24.4.2000seeks to amend the Coal Mines (Nationalisation) Act, 1973 for the following purposes:-

i) to allow the Indian companies to mine coal and lignite without the existing restriction of captive consumption.

ii) to engage the Indian companies in exploration of coal and lignite resources in the country.

(c) to (i): The Project `Review of Regulatory Framework of Coal Industry in India` was undertakenwith the credit from International Development Association with the following objectives:-

(i) review the mining environmental and labour laws, regulations and control systems under which the Indian coal industry operates;

(ii) review the mining, environmental and labour laws and regulations governing mining operations in major coal producing countries; and

(iii) recommend improvements to regulatory framework for coal mining in India

The final report submitted by the Consultant under the project has several recommendations suggesting various reforms in the Indian coal sector. Ministry of Coal has prepared a Time Bound Action Plan for implementingthe feasible recommendations in the report. Implementation of the Action Plan does not involve any change in the provisions of the Coal Mines (Nationalisation) Amendment Bill, 2000. No specific reservation of areas for participation of Indian companies in non-captive mining of coal and lignite and exploration of coal and lignite resources by them, in the event of approval of the Parliament to the Bill, has been done. The Bill also has a provision to empower the Central Government to determine the location and size of the non-captive coal and lignite blocks and to prescribe other requisite terms and conditions for non-captive mining of coal and lignite. The quantum of coal to be extracted by the Indian companies in non-captive mining will depend on the size of the private investment for the purpose.